

PATENT

Atty Docket No.: 100110474-2

App. Ser. No.: 09/995,318

IN THE CLAIMS:

Please find below a listing of all of the pending claims. The status of each claim is set forth in parentheses.

1. (Currently Amended) A program controlled apparatus system for identifying taxable financial transactions, collecting data based on the transactions and calculating any taxes due on the transactions, the apparatus system comprising:

a first server for hosting a first virtual portal having at least one application for providing e-content to end users, the application including a network browser for accessing, displaying and transmitting data over the network;

a second server for hosting a second virtual portal having at least one application for receiving data from the first server and for parsing the data received;

a communications infrastructure linking the first and second servers to one another;

a third server for hosting a third virtual portal having at least one application for receiving data from the second server, parsing the data received for XML-based data and interpreting the XML-based data for selected data processing operations;

a network service module for processing XML-based data from the third server, the network service module including an applications server, a database, a sales and use tax computation module and a sales tax and use tax remittance module, the network service module receiving XML-based transactional data, storing the data in a first selected file of the database, computing the sales and use tax due on the corresponding transaction, storing the sales and use tax due in a second selected file of the database, converting the second file from an Extensible Markup Language (XML)-based format to a tax payment (TXP)-based format for receipt by an automated clearing house network, and periodically transmitting the second

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file through the network to a selected financial institution for electronic funds transfer to a selected government authority; and

an infrastructure service module having a series of discrete operations including a security function for insuring system security over the interactive communications network, a system recovery function, a system backup function, a real-time and continuous accessibility function, a system monitoring function, a system load balancing function and a system scalability function;

wherein the sales and use tax computation module includes

a first database having a directory of parameters identifying all domestic taxing jurisdictions by of zip code and jurisdiction name requiring payment of taxes;

a second database having a directory of parameters identifying the taxability of goods and/or services by each jurisdiction identified by one of zip code and jurisdiction name in the first database, through the use of commodity codes;

a third database having a directory of parameters identifying all domestic sales, use and rental tax rates for each one of zip code and jurisdiction name; and

a server having programming for determining all taxes due on each transaction request input to the apparatus according to the directory parameters maintained by the first, second and third databases.

2-19. (Canceled).

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20. (New) The system of claim 1, wherein:

the first server comprises an interface module for a merchant system, and the second server is included in a service provider system;

the first server is operable to electronically contact the second server in the service provider system each time an accounts payable source system transaction is initiated; and

the sales and use tax computation module is operable to calculate one of an amount of sales or use tax to pay to the merchant's vendor and an amount of sales or use tax to accrue and report on behalf of the merchant for the initiated transaction.

21. (New) The system of claim 20, wherein the sales tax and use tax remittance module is operable to automatically receive information on a consummation of the initiated transaction and effect a transfer of the amount of sales or use tax to accrue and report on behalf of the merchant to at least one account of a selected government authority.

22. (New) The system of claim 20, wherein the sales and use tax remittance module is operable to automatically receive information on a consummation of the initiated transaction and effect a transfer of the amount of sales or use tax to pay to the merchant's vendor to an account of a selected financial institution.

23. (New) The system of claim 21, further comprising:

a reporting/auditing module for generating interactive reports and for permitting auditing by the selected government authority; and

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a tax return module for automated generation of a tax return and transmitting the return electronically to the selected government authority.

24. (New) The system of claim 1, wherein the sales and use tax computation module is operable to:

search lines of the transactions to locate those transactions with exempt taxability codes associated with each of the lines of the transactions and a taxpayer invoiced tax amount of zero;

search the lines of the transactions to locate those transactions where all ship-to locations are within jurisdictions which do not impose sales or use taxes and with a taxpayer invoiced taxed amount of zero; and

search the lines of the transactions to locate those transactions containing a trusted general ledger account for each ship-to state.

25. (New) The system of claim 24, wherein the applications server in the network service module is operable to:

parse a first list in a selected first directory of the database for trusted vendors of the ship-to locations to determine whether a taxpayer of one of the transactions is a trusted vendor;

parse a second list in a selected second directory of the database for must-see accounts, cost centers, taxpayers and tax codes to determine whether the account number, cost center, taxpayer and tax code input with one of the transactions corresponds to a corresponding account number, cost center, taxpayer and tax code on the second list; and

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parse a third list in a selected third directory of the database to determine whether a tax rate corresponding to the tax amount invoiced matches an expected tax rate for the transaction request and is within a selected tolerance of error.

26. (New) The system of claim 25, wherein the applications server in the network service module is further operable to:

search all lines of the transactions to determine if the expected tax rate for each line of the transactions is the full rate of tax for the corresponding ship-to location on the line, with a taxpayer invoiced tax amount equal to zero;

transmit the transactions to the sales and use tax computation module for reviewing the transactions and determining the amount of sales and/or use tax to be paid to or accrued by the taxpayer; and

record in a general ledger system the tax paid to or accrued by the taxpayer.